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SUBJECT: T&T AID TO JAMAICA

¶11. (U) SUMMARY: The Government of Trinidad and Tobago's (GOTT) TT\$20 million (US\$3.2 million) in assistance to Jamaica for post-Hurricane Dean recovery efforts has attracted both criticism and commendation in T&T. While opposition criticism is fueled by upcoming elections as much as anything else, it illustrates the political obstacles that stand in the way of regional integration even in T&T, despite the perception that T&T is the biggest winner from increasing business interlinkages within the Caribbean. END SUMMARY.

¶12. (U) On August 23, Foreign Minister Arnold Piggott announced that Cabinet had approved TT\$20 million in assistance to Jamaica for hurricane recovery efforts; this followed reports of an August 19 phone call during which Jamaican Prime Minister Portia Simpson-Miller informed T&T Prime Minister Patrick Manning of the extent of the damage. Half the money will come from the CARICOM Petroleum Fund established by T&T in 2004; the other half will come from the GOTT's Contingencies Fund.

CHARITY OR REGIONAL COOPERATION AND SELF-INTEREST?

¶13. (U) With Parliamentary elections expected by year's end in T&T, opposition politicians and some sectors of the electorate have criticized the GOTT's aid to Jamaica, arguing that the money could be better spent for the indigent in T&T. However, others have pointed to the strong links between the Jamaican and Trinbagonian economies, including the fact that Jamaica is T&T's second largest export market after the U.S. and that a number of T&T's major corporations have considerable investments in Jamaica, such as Guardian Holdings Limited, Trinidad Cement Limited and the Republic Bank of Trinidad and Tobago (RBTT). Thus, they argue, it is in T&T's self interest to ensure Jamaica's economic recovery. For the GOTT's part, while Foreign Minister Piggott justified the aid by saying that negative developments in one CARICOM nation affect the entire regional body, he also made a point of the fact that T&T is assisting Jamaica at this time even as Jamaica and other CARICOM members increasingly look to Venezuela rather than T&T for petroleum supplies.

¶14. (SBU) COMMENT: Against a backdrop of recent Jamaican and Barbadian criticism of T&T's economic dominance within CARICOM, this local debate highlights the political obstacles to regional integration. The GOTT's strategy for sharing its energy sector-derived wealth with its Caribbean neighbors through mechanisms like the CARICOM Petroleum Fund appears to garner little appreciation from beneficiaries while drawing denigration domestically. This will make further economic integration difficult. END COMMENT.

AUSTIN